

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	
FILING OF WESTERN LEWIS-)	CASE NO. 92-331-G
RECTORVILLE WATER AND GAS DISTRICT)	

O R D E R

On May 12, 1993, in Case No. 92-331, the Commission approved adjustments to the rates of Western Lewis-Rectorville Water and Gas District ("Western Lewis") to recover its purchased gas cost on a quarterly basis in accordance with the provisions of its gas cost adjustment ("GCA") clause.

On November 29, 1994, Western Lewis filed its GCA to be effective from January 1, 1995 to April 1, 1995.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western Lewis's notice proposed revised rates to pass on its expected wholesale decrease in gas costs to its customers. Western Lewis's expected gas cost ("EGC") is \$3.0695 per Mcf. Western Lewis had proposed an EGC of \$2.95 per Mcf, but it had not transferred the calculation of its EGC from Schedule IA of its filing to the Expected Gas Cost line of the Gas Cost Recovery Rate Summary at the top of Schedule I.

2. Western Lewis's notice set out no refund adjustment.

3. Western Lewis proposed a current quarter actual adjustment ("AA") of 3 cents per Mcf. The current AA should be

.0149 cent per Mcf to collect under-recoveries of July, August, and September 1994 gas cost from its customers. Western Lewis had failed to convert supply volumes from Dth to Mcf and had not adjusted total sales volumes to a level of 95 percent of supply volumes. The total AA of (17.49) cents per Mcf reflects the current under-recovery, as well as the previous quarter's over-recovery. Western Lewis neglected to include the previous quarter AA in its calculation.

4. Western Lewis's notice set out no balance adjustment ("BA"). This adjustment will be unavailable to Western Lewis until its filing for rates to be effective January 1, 1996.

5. These combined adjustments produce a corrected gas cost recovery rate ("GCR") of \$2.8946 per Mcf, \$1.3695 per Mcf less than its prior rate.

6. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after January 1, 1995.

IT IS THEREFORE ORDERED that:


1. Western Lewis's proposed rates be and they hereby are denied.

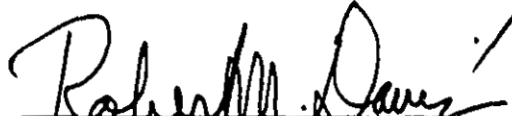
2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after January 1, 1995.


3. Within 30 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 16th day of December, 1994.

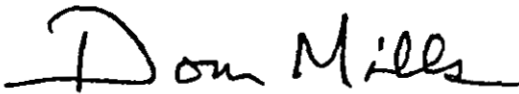
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-331-G DATED December 16, 1994

The following rates and charges are prescribed for the customers served by Western Lewis-Rectorville Water and Gas District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RETAIL RATES:

Customer Charge	\$1.00 per month		
<u>Monthly Usage</u>			
	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cu. ft. or less (Minimum Bill)	\$3.9883	\$2.8946	\$6.8829
Next 4,000 cu. ft. per 1,000 cu. ft.	1.4565	2.8946	4.3511
Next 5,000 cu. ft. per 1,000 cu. ft.	1.3970	2.8946	4.2916
Over 10,000 cu. ft. per 1,000 cu. ft.	1.2228	2.8946	4.1174